

Info

DDA 85-3826/15

Office of Legislative Liaison**Routing Slip**

TO:		ACTION	INFO
1.	D/OLL		X
2.	DD/OLL		X
3.	Admin Officer		
4.	Liaison		
5.	Legislation		X
6.			X
7.			X
8.			X
9.			
10.			
SUSPENSE		Date	

Action Officer:

Remarks:

G.J. / 23 Dec 85
Name/Date

STAT

TRANSMITTAL SLIP		DATE 18 December 1985	
TO: OLL			
ROOM NO. 7E12		BUILDING Hqs.	
REMARKS:			
FROM:			
ROOM NO.	BUILDING	EXTENSION	

Central Intelligence Agency



Washington, D.C. 20505

Recpt #

Record

(Annual Rpt)

DD Form 1
85-3826/15

20 DEC 1985.

The Honorable Dave Durenberger
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

STAT

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and [redacted] in effect for Fiscal Year 1985.

STAT

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, [redacted] systems of internal accounting and administrative controls provide reasonable assurance that:

STAT

(a) Obligations and costs comply with applicable law;

(b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Dave Durenberger

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

STAT

Statements similar to this one are being provided to The President and the Chairman of the House Permanent Select Committee on Intelligence.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

SUBJECT: Report to the Chairman of the Select Committee on Intelligence

Distribution:

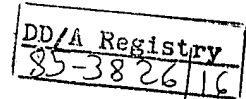
Orig. - Addressee

- 1 - OGC
- 1 - DDA
- 1 - ED
- 1 - DDCI
- 1 - DCI
- 1 - IG
- 1 - D/OF

Central Intelligence Agency



Washington, D.C. 20505



20 DEC 1985.

The Honorable Lee H. Hamilton
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

STAT

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and [redacted] in effect for Fiscal Year 1985.

STAT

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, [redacted] systems of internal accounting and administrative controls provide reasonable assurance that:

STAT

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Lee H. Hamilton

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the Senate Select Committee on Intelligence.

Sincerely,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

STAT

SUBJECT: Report to the Chairman of the House Permanent Select Committee on
Intelligence

Distribution:

Orig. - Addressee

1 - OGC

1 - DDA

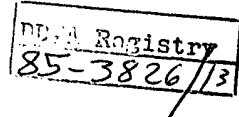
1 - ED

1 - DDCI

1 - DCI

1 - IG

1 - D/OF



20 11 85

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence
Executive Director

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Fiscal Year 1985 Reports to the President and Congress under
the Financial Integrity Act

1. Attached, for your signature, are reports required by the Federal Managers' Financial Integrity Act of 1982. These reports are for submission to the President and Congress by 31 December of each year.

2. The reports comply with the reporting requirements of the Act for both internal controls and the accounting system in operation during fiscal year 1985 as certified to by the responsible senior officials. Although we have identified no material weaknesses in internal controls to be reported, we do believe it is appropriate to acknowledge the four loss of fund situations of relative significance which are cited in the reports. Basic data on these cases is summarized for your information in an attachment.

3. Also attached are the fiscal year 1985 certifications from the Directors of Intelligence Community Staff and [redacted] Deputy Directors, Heads of Independent Offices, and the Director of Finance.

STAT

/s/ Harry E. Fitzwater

STAT

Harry E. Fitzwater

Attachments

STAT

Page Denied

85-772

Director
Intelligence Community Staff

Washington, D.C. 20505

DCI/ICS 85-7201
25 October 1985

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Inspector General, Central Intelligence Agency

FROM:
Director, Intelligence Community Staff

STAT

SUBJECT: Financial Integrity Act of 1982

REFERENCE: a. PL 97-255 dated 8 Sep 1982
b. dated 6 Dec 1983
c. Memo from Inspector General dated 7 Dec 1983, same subject
d. OMB memo 85-5 dated 22 Oct 1984, subject: "Second-Year Implementation of the Financial Integrity Act"

STAT

In accordance with Section 2 of the Federal Managers' Integrity Act of 1982, I have reviewed the internal accounting and administrative controls for the Intelligence Community (IC) Staff for the Fiscal Year ended 30 September 1985. Within the IC Staff I have limited delegations of authority to manage resources to the highest practicable level, which I believe strengthens the internal control system of checks and balances in assuring sound management of Staff resources. I believe the IC Staff to be in reasonable compliance with the standards prescribed by the Comptroller General for accounting, auditing, and internal accounting and administrative control systems. To the best of my knowledge, the activities taking place during FY 1985 within the IC Staff have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner, and the internal accounting and administrative controls are operational and effective.

STAT

Page Denied

ADMINISTRATIVE INTERNAL USE ONLY

INSPECTOR GENERAL

85-805

DS&T-1023-85

13 NOV 1985

MEMORANDUM FOR: Executive Director
THROUGH: Inspector General
FROM: R. E. Hineman
Deputy Director for Science and Technology
SUBJECT: Federal Managers' Financial Integrity Act

To the best of my knowledge, the activities taking place during FY-85 within the Directorate of Science and Technology have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

R. E. Hineman

ADMINISTRATIVE INTERNAL USE ONLY

ADMINISTRATIVE-INTERNAL USE ONLY

DDI- 05509-85

4 NOV 1985

85-3777

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM: Robert M. Gates
Deputy Director for Intelligence

SUBJECT: Internal Accounting and Administrative Control

REFERENCE:

STAT

To the best of my knowledge, the activities taking place during FY-85 within the Directorate of Intelligence have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

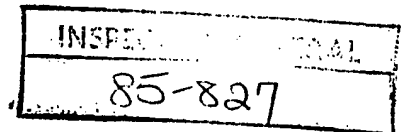
Robert M. Gates

ADMINISTRATIVE-INTERNAL USE ONLY

Page Denied

25X1

ADMINISTRATIVE - INTERNAL USE ONLY



DDA 85-3826/10

22 NOV
1985

MEMORANDUM FOR: Executive Director

VIA: Inspector General

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Federal Manager's Integrity Act

REFERENCE:

STAT

1. To the best of my knowledge, the activities taking place during FY 1985 within my Directorate have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

2. Attached is a certifying statement from the Director of Finance regarding Agency revenues and expenditures applicable to operations for 1985 as required by Additionally, certified statements signed by each of the DA Office Directors attesting to the 1985 financial activities of their offices are on file in the DA registry section.

STAT

STAT



Harry E. Fitzwater

Attachment

ADMINISTRATIVE - INTERNAL USE ONLY

19 NOV 1985

ADPP 220-85

85-3826 / 12

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM: Allen R. Elkins
Director of Finance

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Internal Accounting and Administrative
Control Systems

STAT

1. This paragraph provides the certification required of me by paragraph e(2) of reference to be used in support of the relevant portion of the Director's 1985 Report to the President and Congress in conformance with the Act. The certification which follows is based upon my assessment, with due attention to the guidelines provided by paragraph e(1)(a) of reference, of the operation of internal accounting and administrative controls throughout the Agency:

"To the best of my knowledge, during FY 1985 revenues and expenditures applicable to operations for which the Agency is responsible were accounted for, certified and recorded properly so that reliable financial and statistical reports could be prepared and accountability of assets maintained."

2. The subject Act also requires that the Director's Report include a statement on whether the accounting system of the Agency conforms to the principles, standards and requirements prescribed by the Comptroller General for observance by Federal Agencies. The certification which follows to support that portion of the Director's 1985 Report is based upon my assessment of staff evaluation of the conformance of the Agency accounting system with such principles, standards and requirements:

"To the best of my knowledge, Comptroller General principles, standards and related requirements for accounting systems have been and continue to be used as the guidelines against which the Agency Accounting System has been developed and is being maintained."

STAT

Allen R. Elkins

STAT

Page Denied

ADMINISTRATIVE - INTERNAL USE ONLY

INSPECTOR GENERAL

85-800

OLL 85-3512
13 November 1985

MEMORANDUM FOR: Executive Director

VIA: Inspector General

FROM: Charles A. Briggs
Director, Office of Legislative Liaison

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Memorandum for the Director, OLL, from the
Deputy Director for Administration (DDA 84-2661/8)

1. Pursuant to the referenced memorandum, I submit this statement on the activities and operations of the Office of Legislative Liaison.

2. To the best of my knowledge, the activities taking place within the Office of Legislative Liaison during Fiscal Year 1985 have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

3. I will be glad to consult with you should you have any questions about this statement.

Charles A. Briggs

STAT

ADMINISTRATIVE - INTERNAL USE ONLY

INSPECTOR GENERAL

85-798

13 NOV 1985

MEMORANDUM FOR: Executive Director

THROUGH: Inspector General

FROM: Daniel A. Childs, Jr.
Comptroller

SUBJECT: Federal Managers' Integrity Act

REFERENCE: Internal Accounting and Administrative Control
Directive dated 6 December 1983

STAT

In compliance with Reference, the following statement is provided:

To the best of my knowledge, the activities taking place during FY 1985 within the Office of the Comptroller have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

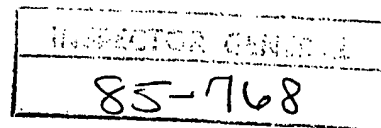
/Daniel A. Childs, Jr.

cc: IG
DDA

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY

The Director of Central Intelligence
Washington, D.C. 20505



NIC #05250/85

National Intelligence Council

29 OCT 1985

MEMORANDUM FOR: Executive Director
VIA: Inspector General
FROM: Robert M. Gates
Chairman, National Intelligence Council
SUBJECT: Statement of Internal Accounting and
Administrative Control

REFERENCE: [redacted] dated 6 December 1983

STAT

To the best of my knowledge, the activities taking place during FY-85 within the National Intelligence Council, O-DCI, have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved; and due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

[redacted]
Robert M. Gates

Distribution:

Orig - Addressee
1 - Executive Registry
1 - Inspector General
1 - DDI
1 - DDI Registry
1 - AO/NIC

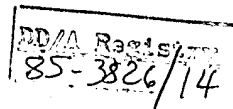
AO/NIC [redacted] (22 October 1985)

STAT

Central Intelligence Agency



Washington, D.C. 20505



20 DEC 1985

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and [redacted] in effect for Fiscal Year 1985.

STAT

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

During the reporting period, four loss of fund situations have been brought to my attention. Each of these was discovered by the Agency's system of internal accounting and administrative controls, and has been reported to the Department of Justice for appropriate action. We have made a positive determination in each case that the loss was not attributable to an internal control weakness for which there is a cost effective remedy. The cost of additional resources to implement more stringent control measures would exceed the relative risks to be protected against.

Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, [redacted] systems of internal accounting and administrative controls provide reasonable assurance that:

STAT

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The President

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

STAT

Statements similar to this one are being provided to the Chairmen of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

Respectfully yours,

/s/ William J. Casey

William J. Casey
Director of Central Intelligence

SUBJECT: Report to The President

Distribution:

Orig. - Addressee

- 1 - OGC
- 1 - DDA
- 1 - ED
- 1 - DDCI
- 1 - DCI
- 1 - IG
- 1 - D/OF

MEMORANDUM FOR: Senate Liaison: _____ or
House Liaison : _____ or
Chief, OLL/Liaison:

The attached document is being ready to be sent to the Hill. The registry needs an "OK" from one of the above. PLEASE DO NOT HOLD.

Send back the attached document so Registry can process.

THANK-YOU

DDA 85-3826/15 - SSC1

DDA 85-3826/16 - HPSCI

Date 23 Dec 1985